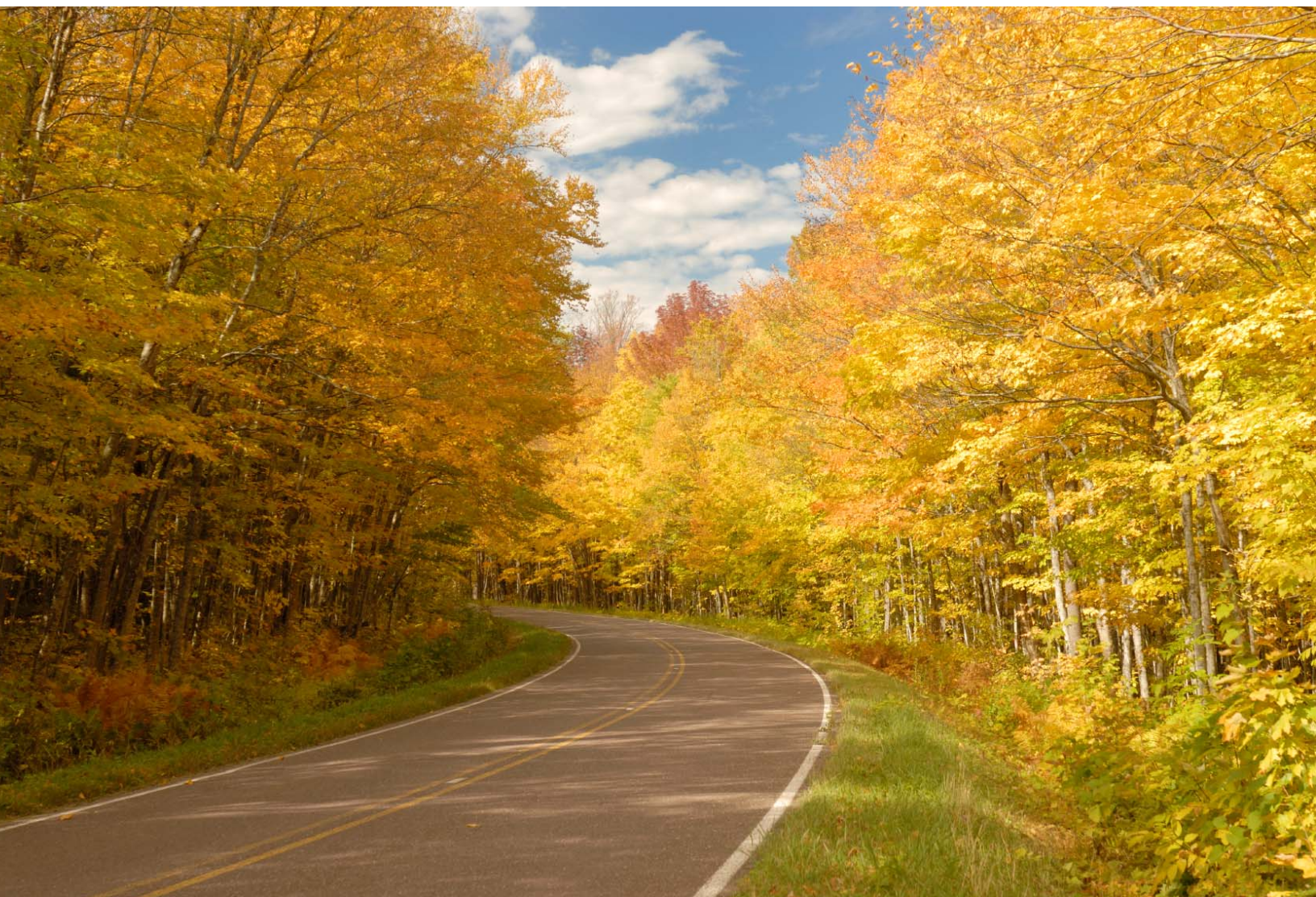


GETTING STARTED: AN ENTRY LEVEL
ACTION PLAN FOR DEFAULT AVERSION



*"There are two mistakes one can make along the road to truth . . .
not going all the way, and not starting."*
Prince Gautama Siddharta



1 | Know Your Students

GENERAL RESEARCH

Extensive studies on student populations have been conducted by several different entities which will give you an insight into your students.

- Visit www.mgaload.com and click *Financial Aid Professionals*, *Default Aversion and Student Retention*, then *Default Aversion Resources Database* for studies, datasets, and other useful information on general student defaults.
- The MGA Default Aversion Symposium Series (www.mgaload.com) which features several nationally renowned speakers will also help you learn more about your students.

SCHOOL-SPECIFIC RESEARCH

What is unique about your student population?

- Graduates of which majors in your school tend to have more debt but lower salaries upon completion of their schooling?
- Are certain students at your school more likely to withdraw?
- How well do your students understand basic financial terms such as compounding interest, deferment, forbearance, or amortization?
- Are there any significant differences between students in certain programs in regard to their credit card use, debt levels, expected salary levels, likelihood of using deferments or forbearances, or even defaulting?



MAKING IT EASY: WHAT MGA CAN DO FOR YOU

Sometimes it can be difficult to find the time to conduct the studies that would give you insight into your students. If your borrowers use an MGA guarantee, we can provide you with the following information:

- Average amount of your students' FFELP loan debt.
- Common characteristics of your defaulted borrowers.
- Research outlines, ideas, and even implementation as limited time and resources allow.
- Detailed descriptive default analysis on your student population including: percent withdrawn vs. graduated, breakdowns of loan amounts of those in default, etc.

2 | Take Action



EARLY STAGES OF ENROLLMENT

There may be no better time to reach your students than when they are within your own walls. Take advantage of this time to promote **financial literacy, comprehensive entrance counseling**, and any other activities that will have the **GREATEST** effect on your students.

MAKING IT EASY: WHAT MGA CAN DO FOR YOU

- Debt summary letters for all of your first-, second-, third-, or fourth-year students.
- Life SkillsSM, a financial literacy program that can help educate students to manage their time and money wisely while they attend your school.

LATE STAGES OF ENROLLMENT

When students begin drawing close to graduation, student loans may be the furthest thing from their minds as they contemplate their futures. However, now may be the best time to remind them of their student loan obligations as well as the many opportunities they have to defer payments if their individual circumstances will not allow them to begin repayment successfully.

MAKING IT EASY: WHAT MGA CAN DO FOR YOU

- Borrower Debt Summary Reports that include **all loans** listed on NSLDS that can be given directly to a student.
- Life Skills modules four and five focus on finishing school, getting ready for employment, setting reasonable career expectations, and the importance of loan repayment.
- Exit Counseling Packet for graduating students.

AFTER GRADUATION OR WITHDRAWAL

We don't always get the chance to talk to a student prior to their departure. When you consider that almost 90 percent of all defaulted loans are attributed to withdrawn students, it becomes clear that reaching them must become top priority. However, even graduated students can sometimes find themselves in a jam and may need a reminder.

MAKING IT EASY: WHAT MGA CAN DO FOR YOU

- Postage-paid *Withdrawn Student Exit Counseling Packet*.
- Phone calls to your borrowers during grace.
- Phone calls to all delinquent borrowers to help them with deferment or forbearance options.
- Report of delinquent borrowers.

3 | Measure Success



REGULAR ROTATION OF TRIAL AND ERROR

Don't let all of your hard work go to waste! On a regular basis it is important to begin measuring the success of your newly implemented default aversion tactics. By examining the successfulness of your tactics you can add, eliminate, or adjust accordingly.

MAKING IT EASY: WHAT MGA CAN DO FOR YOU

- Provide historical delinquency and default information to better track results.
- Setup advanced data queries for in-depth analysis of what is and isn't statistically significant.

READY FOR MORE?

This publication provides some “out of the box and ready” ideas for you to use. If you're already doing these things, or if you're ready to go a little deeper, please contact MGA or your guaranty agency directly to discuss your default aversion plan.

CONTACT US:

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